Overseas Focus
Barcelona, Spain

Barcelona, Dublin's sister city, may be Spain's most expensive but it is also the most popular location for renters and the number of Irish living there has grown by nearly 650% in 10 years, reports **Shane McGinley**

Take a bite of Barca

Where is it?
The capital of Catalonia and Spain's second largest city is located on the north-eastern coast of the Iberian Peninsula.

What's so special about it?
Barcelona is renowned as one of Europe's most impressive cities – whether it is strolling down La Rambla, relaxing on the 4.2kms of beaches or marvelling at the Gaudí architecture. A number of the city's sites are Unesco World Heritage Sites and in 1999 it was awarded the Royal Gold Medal by the Royal Institute of British Architects – the only time the winner has been a city and not an architect.

Best kept secrets:
The city is becoming increasingly popular with the Irish community and according to the Barcelona Department of Statistics there are now 620 Irish citizens. Barcelona has several universities with campuses throughout the city. This, coupled with the influx of businesses and tourists, explains Barcelona's biggest selling point – rental return. In recent data on where rental demand was the highest during the summer of 2006, compiled by Holiday-Rentals.co.uk, Barcelona was number one with a 21% rise in demand while the number of properties available rose by 17%.

Who lives here?
Its most iconic inhabitants have been Antoni Gaudí, who used the city as his own canvas, and Salvador Dali. Nowadays, its most famous residents are Spanish royalty and several Barcelona FC players, most notably Ronaldinho.

What's the property market like?
"Owner occupation in Spain is still the highest in Europe and a Spaniard's number-one priority is to buy his own property, typically spending a higher percentage of income on his mortgage than his European counterparts," says Marta Figueras Murphy, a Barcelona native who recently set up Luxus Properties to advise Irish buyers. Since the 1992 Olympic Games, the market has grown strongly and in the last two years price hikes of 25% to 30% have been seen, but it is more reasonable to expect 15%. Catalonia is more expensive but the region also accounts for nearly a quarter of Spanish GDP, making it the power house of Spain and one of the wealthiest areas.

Barcelona is renowned as one of Europe's most impressive cities

How do you go about buying property ?
The online newspaper *Barcelona Reporter* has updated news on Barcelona property and often has articles translated from *El País*. You don't need to be a resident to buy property, you just have to have a national identity number that can be easily obtained with your passport. The Asociacion Empresarial de Gestion Inmobiliaria (AEGI) is a good source for finding agents, as is the new Association of International Property Professionals (AIPP). You will also need to hire an abogado (Spanish lawyer) who must be registered with the local law society and speak English and Spanish. You need a notary, who will draft and authenticate the deed at the local Land's Registry. The process takes about three months. For finance, Bank of Ireland has an association with the la Caixa group with 75% mortgages available on terms up to 30 years.

Where are the best places to buy?
Barcelona is split into 10 districts and the areas experiencing the greatest demand from foreign buyers are the Ciutat Vella and L'Eixample. Ciutat Vella takes in Barri Gotico, El Born and El Raval. The area is busy and has easy access to the beach. L'Eixample is one of the newest districts, just north of Plaza Catalunya. Areas such as Barri Gotic, Gracia, La Ribera, Sants and Poble Sec are due for regeneration and would make better long-term investments.

What's the rental market like?
The yield for short-term lets is 5% per annum and demand is high. A quality two-bed apartment will generate about €1,000 a week. For long-term rental the city has a healthy population of students and young professionals. The average rent for a room in the city centre is €400 a month or €1,500 for a quality apartment.

What type of property is available?
The market mainly consists of apartments. In the expensive areas along the Maresme coast in the north and west of the city, villas and townhouses are pricy even by local standards. In the city centre, apartments with loft conversions are increasingly popular. Barcelona has a higher proportion of protected housing than the rest of Catalonia and recently almost 20% of all houses completed were classified as 'protected' for architectural or historical value so it is worth verifing the status of any property you consider buying.

Average property prices?
The average price of a property is €617,000 – more expensive than Madrid and on a par with Paris. However, Figueras Murphy believes it is still possible to find city-centre apartments for less than €200,000 and she believes that new developments, such as those at Diagonal Mar and Raval, once complete, will be the most technologically advanced neighbourhoods in Spain.

Tax breaks between Ireland?
Ireland has double taxation agreement with Spain. Irish buyers must register with the Spanish Tax Agency and it is advisable to also make a Spanish will.

FAST FACTS

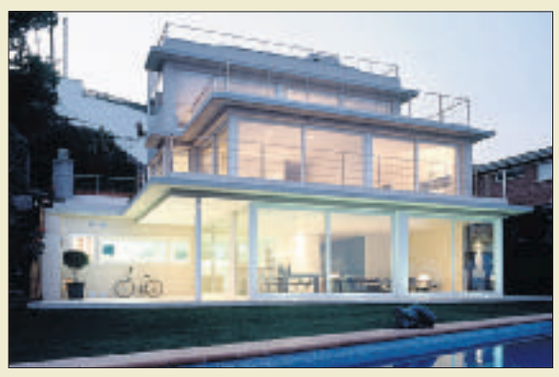
Getting there: Ryanair flies to Barcelona and nearby Girona. Aer Lingus operates from Cork and Dublin and Jet2 services Belfast
Area: 100.4 km
Population: 1,593,075
Currency: Euro
Weather: Mediterranean, averaging from 10°C in winter to 25°C in summer
Transport: Transport links are excellent with a very efficient Metro, tram and rail system. At night, taxis can be a nightmare. Bikes are the easiest form of transport; however bike theft is a problem so buy two locks
Going out: Bars, cafés and clubs are clustered around Avenue Diagonal, while the Poble Espanyol and the Olympic Village are also popular. Must see spots are Gaudi's Park Güell and Sagrada Família and Camp Nou – home to FC Barcelona
Eating Out: ElBulli restaurant has been awarded 'Best Restaurant in the World' for two years running. In Barcelona they like to eat an array of tapas courses washed down with cava sparkling wine. The Barceloneta area of town is popular for fish and paella and in the Travel Bar backpackers can get meals for as little as €1
Shopping: La Gauche Divine and El Corte Inglés are popular but label lovers head to El Born and bargain-hunters to the Les Encants flea–market

USEFUL CONTACTS

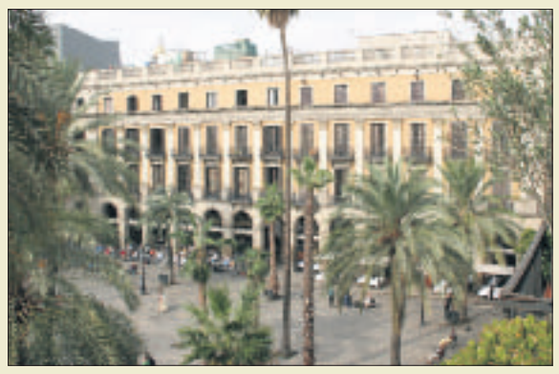
» **Barcelona Reporter:** www.barcelonareporter.com
» **El Pais Newspaper:** www.elpais.com
» **Asociacion Empresarial de Gestion Inmobiliaria:** www.aegi.es
» **Association of International Property Professional:** 0044-207 409 7061; www.aip.org.uk
» **ICEX (Spanish Institute for Foreign Trade):** www.icex.es
» **La Caixa:** www.lacaixa.es
» **Property Lawyers Abroad Network:** www.plani.net

Property Gallery

AIXAMPLE ESQUERRE DISTRICT
Price: €409,000
Details: Third-floor loft studio apartment with one bathroom spread out over 93sq m
Contact: Luxus Properties, 01-495 1663; www.luxusproperties.ie



ALELLA VILLAGE
Price: Approx. €2m
Details: Designer villa of some 400sq m, 20 minutes north of the city centre with three bedrooms, a garden, pool and parking.
Contact: Lucas Fox, 0034-9335 62989; www.lucasfox.com



PLAZA REAL, CITY CENTRE
Price: €1.97m
Details: A grand apartment in a listed building, overlooking the famous Plaza Real area, comprising six bedrooms and two bathrooms.
Contact: Lucas Fox, 0034-9335 62989; www.lucasfox.com

BEACHFRONT, BARCELONETA
Price: €249,000
Details: One-bed apartment 50 metres from the beach in Barceloneta.
Contact: Lucas Fox, 0034-9335 62989; www.lucasfox.com

La dolce vita still awaits Irish investors in untapped Italy

Brenda McNally

NOW that we're a nation of property buyers, our reputation as intrepid colonisers of the latest overseas hotspot is legendary. From Panama to New Zealand, there can be few property secrets the adventurous Irish investor hasn't managed to uncover. Which makes our absence in the Italian property market almost as big a puzzle as the *Da Vinci Code*.

Why haven't we been buying in large numbers in Italy? There can be no question about its desirability. We don't need *Conde Nast* to tell us that Italy is one of the most popular destinations in the world, but if we did, readers of the influential tome recently gave Italy the award for 'favourite country'.

And for investors more interested in the bottom line than the headlines, the news that UK website Holiday-Rentals.co.uk ranks Italy as the third highest in terms of consumer demand (with enquiries up 58% in 2006) must surely win the argument.

Simple Overseas Properties, however, was never in doubt. It saw the gap in the market some time ago and paved the way for lifestyle buyers and investors interested in making an Italian connection. The agent has just released its latest apartment development, Residence Blue River, a refurbishment of an old paper mill in Bagni Di Lucca, Tuscany. Situated in a picturesque tourist village famous for its thermal waters and within easy reach of Pisa and the beautiful town of Lucca, the development will provide 45 apartments with guaranteed rental income for the first year. Work has just begun at the development and completion is expected in early 2008. This will be more than your average run-of-the-mill development.

Buyers will own a property that can truly claim to be one in a million as the restoration project will return the 200-year-old building back to its former glory.

High prices are possibly one of the main reasons why we have shied away from buying in Italy. Marketing of Tuscany, Umbria and, increasingly, Puglia in the south may have created the impression that Italy is off limits for buyers with less than €150,000 in their pockets. But at Residence Blue River, you can buy into the timeless civilisation and landscape of Italy for as little as is being asked in many of the 'emerging markets'. Simple Overseas Property has put together a very attractive package that will suit most budgets.

With prices starting from €95,000 for a one-bed studio to €250,000 for a two-bed duplex, this scheme is pitched at the first-time investor/lifestyle buyer who wants to go off the beaten track but with a safety net. Comprised of a mix of one- and two-bed duplex apartments, Residence Blue River will also have a swimming pool, private gardens and terraces as well as parking facilities. The units will all be sold as shell and the agent estimates that a furnishing fitout will cost in the region of €7,000-€8,000. The UK rental management company, Bridgewater, has extensive experience in the region and will provide 4% guaranteed rental income for the first year.

Purchasers should allow a further 12% for taxes, fees and miscellaneous costs. The location is ideal, according to Karl Morris, MD Simple Overseas Properties. Situated in the quieter northern part of Tuscany, Pisa and Florence are within easy reach of the development and Ryanair flies into Pisa Airport which is just 18km away. Rental demand is also likely to be strong. Morris believes there will be good year-round rental potential as residents and guests can also avail of skiing or sandy beaches, both of which are less than an hour's drive from the development.

NEED TO KNOW

» **Tax regulations** change frequently, so it is worth checking the current situation with a local accountant or tax adviser
» **Commission rate** (agent's fees): 1%-6% of the purchase property price
» **Public Notary Cost:** obligatory requirement, based on property price, varies from council to council (generally between €2,000 and €3,000)
» **Geometras fee** (conveyancing costs): €500 -€3,000
» **Maintenance costs:** annual taxes on rental income, land taxes, property taxes, buildings/contents insurance, utilities, waste costs, management fees, letting agent's fees

Simple Overseas Properties is holding an exhibition today at the Radisson SAS St Helen's Hotel, Stillorgan, Co Dublin, from 11am-7pm, showcasing a portfolio of property investments in Italy, Morocco, Spain, Germany, Cyprus and Portugal. Call 1850 200 711